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Kentucky gets \$100 million in tobacco payments

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Kentucky has received an annual payment of about \$100 million in tobacco settlement money, as required under the 1998 Master Settlement Agreement.

Under the agreement, major tobacco companies, including Philip Morris, Reynolds American and Lorillard, make annual payments to 46 states to fund campaigns to reduce the use of tobacco products by youth.

Philip Morris has made its full payment this year, but Reynolds American and Lorillard say they are entitled to receive a refund of part of their 2003 payments because they have lost market share to new, smaller cigarette companies that don't fall under the MSA agreement.

The states, on the other hand, argue that they have passed and enforced laws that require new cigarette companies to make the same kinds of payments that Reynolds, Lorillard and other large tobacco companies make.

Renolds and Lorillard have deposited \$750 million into an escrow account for disputed payments.

Kentucky's share would be \$13 million of the disputed amount.

Kentucky Attorney General Greg Stumbo said in a news release that his office will file a motion to recover those funds.

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